

Date Mailed April 1, 1999
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BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation on the Petition of Interstate Energy Corporation  
to Revise the Asset Limitation for Nonutility Affiliates in its  
Holding Company System

9403-YI-100

Joint Application of WPL Holdings, Inc. and Wisconsin Power &  
Light Company for all Requisite Approvals in Connection With  
a Series of Related Transactions by Which Interstate Power  
Company Becomes a Subsidiary of WPL Holdings, Inc.,  
IES Industries, Inc. is Merged Into WPL Holdings, Inc.  
and is Renamed Interstate Energy Corporation and for  
Certain Related Transactions and Matters

6680-UM-100

**NOTICE OF PROCEEDING  
AND  
INVESTIGATION AND ASSESSMENT OF COSTS**

**THIS IS A PROCEEDING TO** investigate the petition of Interstate Energy Corporation (IEC), d/b/a Alliant Energy Corporation, to revise the asset limitation for nonutility affiliates in its holding company system.

On October 20, 1998, IEC, a holding company which owns 100 percent of the voting securities of Wisconsin Power and Light Company (WPL), a Wisconsin public utility, IES Utilities Inc. (IES Utilities), an Iowa public utility, Interstate Power Company (IPC), a Delaware company doing business in Iowa, filed a petition with the Commission pursuant to Wis. Stat. §196.795 (5)(p), to revise the asset limitation imposed on IEC relating to future investments in nonutility businesses in docket 6680-UM-100. WPL is a public utility as defined in Wis. Stat. §196.01(5), which owns 100 percent of the voting securities of South Beloit Water, Gas, and Electric Company (SBWGE), an Illinois utility. IEC is a public utility holding company and is subject to regulation by this Commission under Wis. Stat. §196.795.

In its order issued in docket 9403-YO-100, dated April 30, 1987, the Commission approved the formation of a holding company by applicants WPL and WPL Holdings, Inc. subject to conditions including the condition that the sum of the assets of all nonutility affiliates in the WPL Holdings, Inc./WPL holding company system may not exceed the sum of 25 percent of the assets of WPL. In its order issued in docket 6680-UM-100, dated November 4, 1997, the Commission approved a series of interrelated transactions that resulted in the merger of IPC and IES Industries into WPL Holdings Inc. and formed IEC. The order in docket 6680-UM-100

Docket 9403-YI-100  
Docket 6680-UM-100

limits IEC's investment in nonutility affiliates to 25 percent of the assets of WPL, IES Utilities, IPC and SBWGE under Wis. Stat. §196.795(5)(p).

In its October 20, 1998, letter to the Commission, IEC states that the current asset limitation is impairing its ability to expand its nonutility businesses which is detrimental to the public interest and to the interests of ratepayers and investors. It asks that the asset limitation based on gas, water and steam utility assets to be raised from 25 percent to 300 percent.

Copies of the petition can be obtained by written request to Alliant,  
222 West Washington Avenue, Madison, WI 53701-0192.

**NOTICE IS GIVEN** that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. §196.84 and Wis. Admin. Code ch. PSC 6.03.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact the case coordinator listed below.

A decision on whether or not a hearing will be held will be made subsequent to a preliminary investigation of this petition. Questions regarding this matter may be directed to case coordinator Jodee J. Bartels at (608) 267-9859.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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